

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT2908622

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MORTGAGE
SEQUENCE:	1

CONVEYING PARTY DATA

Name	Execution Date
NAUTIC & ART INC.	06/12/2014

RECEIVING PARTY DATA

Name:	BDC CAPITAL INC.
Street Address:	5 PLACE VILLE-MARIE
City:	MONTREAL, QUEBEC
State/Country:	CANADA
Postal Code:	H3B 5E7

PROPERTY NUMBERS Total: 2

Property Type	Number
Patent Number:	7666046
Patent Number:	7322309

CORRESPONDENCE DATA**Fax Number:**

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

Phone: 514-299-2388
Email: paralegal@ipdeltaplus.com
Correspondent Name: IP DELTA PLUS INC.
Address Line 1: 2965 PLACE CHERRY
Address Line 4: SAINT-LAURENT, CANADA H4R 3A5

ATTORNEY DOCKET NUMBER:	NAUTIC & ART INC.
NAME OF SUBMITTER:	SANDRA BEAUCHESNE
SIGNATURE:	/ Sandra Beauchesne /
DATE SIGNED:	06/23/2014

Total Attachments: 13

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HYPOTHEC ON UNIVERSALITY OF PROPERTY

On this twelfth (12th) day of June two thousand and fourteen (2014).

A P P E A R E D:

BDC CAPITAL INC., a wholly-owned subsidiary of **BUSINESS DEVELOPMENT BANK OF CANADA / BANQUE DE DÉVELOPPEMENT DU CANADA** (hereinafter referred to as the "**Bank**"), a Bank corporation continuing as a body corporate, the Federal Business Development Bank, under an Act of the Parliament of Canada, 42-43-44 Elizabeth II, (1994-1995), sanctioned on the 13th day of July one thousand nine hundred and ninety-five (1995), having its head office in the City of Montreal at 5 Place Ville-Marie, Province of Quebec, H3B 5E7, herein acting and represented by Louis-David Julien, Managing Director, Subordinate Financing, and Michèle Arsenault, its Director, Subordinate Financing, hereunto duly authorized in virtue of the resolution of its sole shareholder passed on August 27th, 2013, themselves represented by Anne Mondoloni, attorney, duly authorized in virtue of a power of attorney under private seal dated May 30th, 2014;

The notice of address of the Bank being registered at the Personal and Movable Real Rights Registry Office under number 034336.

(hereinafter called the "**Bank**")

A N D:

NAUTIC & ART INC., a corporation constituted under the *Canada Business Corporations Act* (Canada), as per the certificate of incorporation dated July 16th, 2002, and duly registered at the *Registraire des entreprises du Québec* on July 31th, 2002, under number **1160948536**, having its head office located at 310, Parc-Industriel, in the City of Windsor, Province of Quebec, J1S 2T2, herein acting and represented by Luc Larochelle, its president, duly authorized as he so declares;

(hereinafter called the "**Debtor**")

WHO HAVE DECLARED AND AGREED AS FOLLOWS:

The present deed is a translated and modified version of the ACTE D'HYPOTHÈQUE MOBILIÈRE granted by the Debtor in favor of the Bank, on the twelfth (12th) day of June two thousand and fourteen (2014), and is created for the purpose of publishing the rights of the Bank in foreign jurisdictions. The French version has precedence over this English version.

I. THE DEBT

The Bank has agreed to loan the Debtor, severally with Chargek inc. and 7127286 Canada inc. (the "**Borrowers**"), an amount of **SIX**

HUNDRED FIFTY THOUSAND DOLLARS (\$650,000) following the terms and conditions of a financing offer dated May 23th, 2014 and attached schedule(s), accepted by the Borrowers on May 27th, 2014.

The present loan bears interest and is repayable at the interest rates following the terms and conditions laid down in the financing offer and any schedule(s) attached to it. The said financing offer and attached schedule(s), and any changes or amendments that may be made to such financing offer or its schedule(s), are hereinafter designated the "loan". All amounts due and to become due by the Borrowers under the loan, in capital, interests, costs and accessories, are hereinafter called the "debt".

II. HYPOTHEC

1. To secure the payment of the debt and the performance of the Borrower's obligations under the loan or the present deed, the Debtor hypothecates and creates a security interest in favor of the Bank, on the following property, for the sum of **SEVEN HUNDRED EIGHTY THOUSAND DOLLARS (\$780,000)**, with interest at the rate of twenty-five percent (25%) per annum from the date hereof.

DESCRIPTION

the universality of all Debtor's property, movable corporeal and incorporeal, present and future, of whatever nature and wherever situated, including without limitation, on all present and future assets of the Debtor relating to intellectual property thereof, including patents, trademarks, domain names, source codes, licenses and other forms of intellectual property, including which that are already known described in Schedule A (the "**Hypothecated Property**").

2. The following property, to the extent it is not already included in the above description, is also affected by the mortgage and security created hereunder; the term "**Hypothecated Property**" thus also includes the following properties:
 - (a) the proceeds of any sale, lease or other disposition of property described in paragraph 1, any claim arising from such sale, lease or other disposition, as well as any property acquired as a replacement;
 - (b) the proceeds arising from any insurance policy now or hereafter covering any corporeal property now or hereafter
 - (c) capital, fruits and income of the mortgaged property and any rights attaching to the mortgaged property;
 - (d) when the goods referred to in in paragraph 1 include securities, all other securities issued in the future to replace these securities; and
 - (e) all titles, documents, records, invoices and accounts evidencing the mortgaged property or relating thereto.

III. **ADDITIONAL HYPOTHEC**

To secure the payment of interest not already secured by the hypothec created in Article II and to further secure the performance Debtor's obligations under the loan or this deed, the Debtor hypothecates all the property described or referred to in Article II for an additional amount equal to twenty percent (20%) of the principal amount of the hypothec created in Article II.

IV. **HYPOTHECS' RANKS**

The hypothecs created herein on inventories and claims will be subordinated and rank after any other hypothec that may be granted on such movable property by the Debtor in favor of any bank or financial institution granting him operating loans or operating credits. More precisely, for the claims, this subordination is limited to claims and accounts receivable, present or future, arising from Debtor's operations, including inventory alienation or rental income and insurance claims on such property. This subordination does not extend to claims from the lease, disposition or expropriation of any other property, or to insurance claims thereon.

The term "inventory" means any inventory owned by the Debtor or held on its behalf, including without limitation raw materials, materials, final products, transformed products or products in the process of being transformed, by the Debtor or by others, or materials used for packaging of goods, goods held by third parties as a result of lease, leasing-purchase, franchising or licensing, or any other agreement with the Debtor, animals, ground products and fruits, from the moment they are extracted from the ground. As for the term "**accounts receivable**", it is limited to receivables from income alienation or leasing inventory and product insurance on the property.

V. **DEBTOR'S DECLARATIONS**

The Debtor declares and warrants the following:

1. The Debtor is in compliance with all applicable laws, ordinances, regulations and policies, the breach of which could have an adverse effect on the Debtor's business or its ability to perform its obligations under the loan or the present deed, including environmental laws and regulations.
2. The Debtor owns the Hypothecated Property, which is free and clear of all real rights, hypothecs or security, other than those described hereafter:

Movable hypothecs

- a) A conventional hypothec without delivery granted in favor of Caisse Desjardins du Centre du Val-St-François, published at

the Personal and Movable Real Rights Registry Office under number **14-0361773-0001**; and

- b) A conventional hypothec without delivery granted in favor of Centre d'aide aux entreprises du Val-St-François and in favor of Fonds de développement industriel Richmond Wolfe inc, published at the Personal and Movable Real Rights Registry Office, under number 13-0014799-0001; and
- c) A conventional hypothec without delivery granted in favor of Centre d'aide aux entreprises du Val-St-François and of Fonds de développement industriel Richmond Wolfe inc., published at the Personal and Movable Real Rights Registry Office, under number 11-0144529-0001; and
- d) A conventional hypothec without delivery granted in favor of Royal Bank of Canada, published at the Personal and Movable Real Rights Registry Office, under number 10-0444120-0018; and
- e) A conventional hypothec without delivery granted in favor of Royal Bank of Canada, published at the Personal and Movable Real Rights Registry Office, under number 10-0444120-0016; and
- f) A conventional hypothec without delivery granted in favor of Royal Bank of Canada, published at the Personal and Movable Real Rights Registry Office, under number 10-0444120-0013; and
- g) A conventional hypothec without delivery granted in favor of Fonds Alterinvest II S.E.C., published at the Personal and Movable Real Rights Registry Office, under number 09-0340627-0001; and
- h) A conventional hypothec without delivery granted in favor of Fonds Alterinvest II S.E.C., published at the Personal and Movable Real Rights Registry Office, under number 08-0708301-0001; and
- i) A conventional hypothec without delivery granted in favor of Fonds Alterinvest II S.E.C., published at the Personal and Movable Real Rights Registry Office, under number numéro 08-0708290-0001; and
- j) A conventional hypothec without delivery granted in favor of Fonds Alterinvest II S.E.C., published at the Personal and Movable Real Rights Registry Office, under number numéro 08-0566685-0001; and
- k) A conventional hypothec without delivery granted in favor of Gestion Bruno Champeau inc, published at the Personal and Movable Real Rights Registry Office, under number numéro **12-0954457-0001**.

2. The Hypothecated Property is and will be situated in the Province of Quebec;
3. The Hypothecated Property is not intended to be used in more than one Province or State;
4. The Debtor's head office is located at the following address: 310, Parc-Industriel, in the City of Windsor, Province of Quebec, J1S 2T2.

VI. COVENANTS

1. The Debtor shall inform the Bank without delay of any change to its name or to the content of the representations made in article V. The Debtor will provide, on demand, all original documents required by the Bank so that the Bank can protect its interests.
2. The Debtor shall pay, when due, all duties, taxes and charges relating to the Hypothecated Property, as well as, when due, any debt which could rank prior to the hypothec constituted hereby and shall provide to the Bank, on demand, evidence that the payments described herein have been made.
3. The Debtor shall insure the Hypothecated Property and keep it constantly insured for its full insurable value against damage caused by theft, fire and all other risks against which a prudent administrator would insure the Hypothecated Property. The Debtor shall also obtain insurance covering loss of revenue resulting from loss of or damage to the Hypothecated Property. The Bank is hereby designated as the beneficiary of the indemnities payable under these policies as its interest may appear. The Debtor shall cause such designation to be inscribed in the policies which must also contain the customary clauses protecting hypothecary creditors in the form approved by the Insurance Bureau of Canada. The Debtor shall provide the Bank with a copy of each policy and, at least thirty (30) days prior to the expiration or cancellation of a policy, the Debtor shall provide to the Bank evidence of the renewal or replacement thereof. Receipt by the Bank of such proceeds, whether or not remitted to or endorsed by the Debtor shall not reduce the Bank's rights and privileges unless said proceeds are applied expressly as a reduction of any outstanding balance and shall not in any case constitute novation.
4. The Debtor shall do all things and sign all documents necessary for the hypothec constituted hereunder to have full effect and be constantly perfected and enforceable against third parties.
5. The Debtor shall protect and adequately maintain the Hypothecated Property and exercise its activities in such a manner as to preserve its value. The Debtor shall comply with all laws and regulations applicable to the operation of its business and to the Hypothecated Property, including without limitation environmental laws and regulations.
6. The Debtor shall keep all books, records and accounts which a prudent administrator would keep with respect to the Hypothecated Property; the Debtor shall permit the Bank to examine said books,

records and accounts and to obtain copies of same during normal business hours.

7. The Debtor shall keep the Hypothecated Property free of all real rights, hypothecs or security, save those which the Bank has consented to in writing. The Debtor shall not give grant, assume or permit to exist, any lien, hypothec, mortgage, security interest or other encumbrance on any of its assets that are subject to the security other than encumbrance agreed to in writing by the Bank and it shall not grant any licences in or of its intellectual property other than as disclosed and consented to by the Bank.
8. The Debtor shall not dispose of nor lease the Hypothecated Property, including without limitation, the licensing of any intellectual property, unless the Bank consents thereto in writing. Notwithstanding any such disposal, the Debtor shall remain liable for the payment of the loan and this deed shall remain in full force and effect. However, if not in default hereunder, the Debtor may sell its inventory or lease the Hypothecated Property in the ordinary course of its business and at market conditions. Moreover, if a disposition is made without the Bank's prior consent, the Bank shall be entitled to demand immediate repayment of the secured obligations, even if they are not yet due.
9. The Debtor shall not change the use, destination or nature of the Hypothecated Property without the prior written consent of the Bank.
10. If the Debtor is a corporation, the Debtor shall not amalgamate with another person nor commence dissolution or liquidation proceedings, without the written consent of the Bank.
11. When the mortgaged property includes inventory and accounts receivable, the Debtor will provide to the Bank a monthly statement (by class) of the value of its stocks (calculated at the lower of cost or market value) and a list of accounts receivable (indicating the amount and length).
12. The Debtor shall provide to the Bank all information reasonably required by it with respect to the Hypothecated Property or to verify if the Debtor is in compliance with the covenants and obligations contained herein. The Debtor shall inform the Bank of any fact or event which could adversely affect the value of the Hypothecated Property or the financial condition of the Debtor.
13. The Debtor shall pay all costs incurred by the Bank with respect to this deed and to any release relating thereto, including the fees of the Bank's legal counsel and fees incurred in order to render the Bank's rights opposable to third parties.
14. On demand, the Debtor shall pay the amount of any loss suffered by the Bank due to the repayment before maturity of the whole or part of the loan, whatever may be the cause of such repayment (including where such repayment is made further to an event of default). The amount of this loss shall form part of the loan.

15. The Debtor shall reimburse the Bank for all costs and expenses incurred by it in order to exercise its rights or to fulfill the obligations of the Debtor, the whole with interest from the date the costs and expenses are incurred or paid by the Bank at the rate applicable to loans. The hypothec and security interest granted hereby under Article II hereof shall also secure the reimbursement of said costs and expenses as well as the payment of said interest. All such costs and expenses incurred or paid by the Bank, with interest thereon, shall form part of the secured obligations.
16. The Debtor shall at all times pay the Bank, at the latter's request, all judicial fees, charges or other legal expenses as well as extra judicial fees in accordance with the tariffs established under the Bar Act and its ensuing regulations, the expenses and fees of an agent or trustee, or any costs incurred in the course of ensuring fulfillment of all of the Debtor's obligations hereunder, protecting and realizing the assets given as security for the secured obligations, or appraising the assets during the life of any of the secured obligations or in the event of their liquidation.

In addition, the Debtor covenants to pay the costs of any appraiser and any environmental investigator engaged by the Lender to effect any inspection, appraisal, investigation or environmental audit of the secured assets during the life of any of the secured obligations or in the event of their liquidation, and the cost of any environmental rehabilitation, removal, or repair necessary to protect, preserve or remediate the secured assets, including any fine or penalty the Lender is obliged to incur by reason of any statute, order or direction by competent authority.

VII. ENVIRONMENT

The Debtor represents and agrees that:

- a) it operates and will continue to operate in conformity with all environmental laws and will ensure its staff is trained as required for that purpose;
- b) its assets are and will remain free of environmental damage or contamination;
- c) there has been no complaint, prosecution, investigation or proceeding with respect to the Debtor's business or assets;
- d) it will advise the Bank immediately upon becoming aware of any environmental problem;
- e) it will provide the Bank with copies of all communications with environmental officials and all studies or assessments prepared for the Debtor and does consent to the Bank contacting and making inquiries of officials or assessors.

VIII. RIGHTS OF THE BANK

1. The Bank may inspect or have the Hypothecated Property appraised from time to time at the Debtor's expense. For that purpose, the Debtor shall permit the Bank to have access to the Hypothecated Property and to its place(s) of business. The Debtor shall allow the Bank to examine the accounting records and documents relating to the Hypothecated Property and obtain copies of such records and documents.
2. The Bank may inspect and copy the Debtor's Books and Records, either at the Debtor's premises or at the financial advisor's premises. The Bank may contact and make inquiries with the Debtor's lessors as well as environmental officials, assessors, municipal authorities and any taxing body.

In addition to the reporting requirements set out herein, the Bank may require the opinion of an independent qualified auditor.
3. The Bank may, without being bound to do so, fulfill any or all of the obligations of the Debtor hereunder.
4. The Debtor may collect all debts forming part of the Hypothecated Property until the Bank withdraws its authorization to the Debtor to do so which it may do upon the occurrence and continuance of a default hereunder. Upon such withdrawal, the Bank may collect such debts and shall be entitled to a reasonable commission which it may deduct from any amount collected.
5. Where the Hypothecated Property includes shares or securities, the Bank may, without being bound to do so, exercise any right attached thereto, including any right to vote and any right of conversion or redemption.
6. If the Bank has possession of the Hypothecated Property, it shall have no obligation to maintain the use for which the Hypothecated Property is normally intended, to make it productive or to continue its use or operation. However, the Bank may, without being bound to do so, sell the Hypothecated Property in its possession where the Hypothecated Property is likely to perish or depreciate or decrease in value.
7. The Debtor constitutes and appoints, upon a default hereunder, the Bank as its irrevocable attorney, with full power of substitution, to do any act and to sign any document necessary or useful to the exercise of the rights conferred on the Bank hereunder.
9. The rights conferred on the Bank under this Article VIII may be exercised by the Bank irrespective of whether the Debtor is or is not in default hereunder or under the loan, or before such default if the Bank fears that the Debtor might not be able to meet its obligations under the loan or this deed.

IX. DEFAULTS AND RECOURSES

1. The Debtor shall be in default in each and every one of the following events:
 - a) If the Debtor is in default in the performance or payment, in whole or in part, of any of the secured obligations hereunder;
 - b) If any of the representations made in article V or warranty made herein is inaccurate or ceases to be accurate in any material aspect;
 - c) If the Debtor does not fulfill any one of its covenants hereunder;
 - d) If the Borrower are in default under the loan;
 - e) If the Borrowers are in default under any other contract or agreement between it and the Bank or under any other hypothec or security affecting the Hypothecated Property;
 - f) If the Borrowers ceases to carry on its business, becomes insolvent or Bankrupt;
 - g) If any or all of the Hypothecated Property is seized or is subject to a taking of possession by a creditor, a receiver or any other person performing similar functions;
 - h) An order of execution against the Debtor's assets or any part thereof remains unsatisfied for a period of ten (10) days;
 - i) The lessor under any lease to the Debtor of any immovable/real or moveable/personal property, taken any steps to or threatens to terminate such lease, or otherwise exercise any of its remedies under such lease as a result of any default thereunder by the Debtor;
 - j) The Debtor causes or allows hazardous materials to be brought upon any land or premises occupied by the Debtor or incorporated into any of its assets without the Bank's prior consent, or if the Debtor causes, permits or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
 - k) Default under any operating permit, lease of land or personal property or in arrears of payment to any taxing authority.
2. Upon the Debtor's default, the Bank may terminate any obligation it may have had to grant credit or make advances to the Debtor and declare exigible all obligations of the Debtor which are not yet due. Upon such default, the Bank may also exercise all recourses available to it under applicable law and realize on its hypothec, namely by enforcing the hypothecary rights provided in the Civil Code of Quebec.
3. Upon the Debtor's default, the Bank may use and manage the Hypothecated Property at the Debtor's expense with full authority to

grant new leases or renew existing leases upon such terms and conditions as the Bank may deem appropriate. The Bank may also compromise or transact with the Debtors of the hypothecated debts and may grant releases and discharges thereto. The Bank may also complete the manufacture of mortgaged inventories and do all things necessary or useful to their sale.

X. GENERAL PROVISIONS

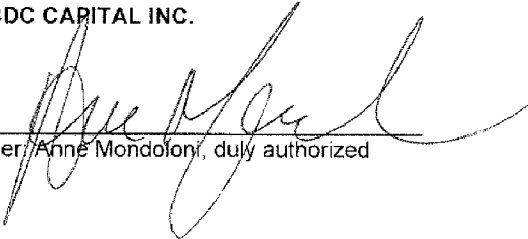
1. The hypothec created hereby is in addition to and not in substitution for any other hypothec or security held by the Bank.
2. This hypothec constitutes continuing security which shall continue in effect notwithstanding any payment from time to time, in whole or in part, of the secured obligations under the loan or this deed. The Debtor shall not, without the Bank's written consent, subrogate a third party in the hypothec or the Bank's rights hereunder.
3. In each case provided in paragraph 1 of Article IX, the Debtor shall be in default by the mere lapse of time, without the necessity of any notice or demand.
4. If the word "Debtor" designates more than one person, each such person shall be jointly and severally liable to the Bank for the performance of all the obligations provided in this deed.
5. The Bank shall not be bound to exercise its rights resulting from these presents and shall not be responsible for the non-exercise of such rights. The Debtor shall use its best efforts to ensure that the debts forming part of the Hypothecated Property be regularly paid and the Bank shall have no obligation to inform the Debtor of any payment irregularity which it may know of.
6. The exercise by the Bank of any of its rights shall not preclude the Bank from exercising any other right resulting from the present deed; all the rights of the Bank are cumulative and not alternative. The failure of or forbearance by the Bank to exercise any of its rights arising from these presents shall not constitute a renunciation to the later exercise of such right. The Bank may exercise of its rights arising from these presents without being required to exercise any right against the Debtor or against any other person liable for the payment of the obligations secured hereunder or to realize on any other security held for the payment of such obligations. No action or omission on the part of the Bank shall constitute or imply a renunciation of its rights to decide the Debtor is in default or to avail itself of its rights pursuant to such default, unless the Bank explicitly declares otherwise after the default has occurred.
7. The Bank shall only be required to exercise reasonable care in the exercise of its rights or the performance of its obligations hereunder and, in any event, shall only be liable for its intentional fault or gross negligence.
8. The Bank may delegate at another person the exercise of its rights or the performance of its obligations resulting from the present deed. In such a case, the Bank may provide that person with any

information it may have concerning the Debtor or the Hypothecated Property.

9. The rights of the Bank hereunder shall also benefit any successor of the Bank, including any entity resulting from the amalgamation of the Bank with another person.
10. This deed shall be governed and interpreted by the law in force in the Province of Quebec.

WHEREOF the Parties have executed this deed at Sherbrooke, on the 12th day of June, 2014.

BDC CAPITAL INC.



Per: Anne Mondoloni, duly authorized

NAUTIC & ART INC.



Per: Luc Larochelle, president

SCHEDULE A

INTELLECTUAL PROPERTY

OFFICE DE LA PROPRIÉTÉ INTELLECTUELLE DU CANADA (OPIC) (2014-05-26)

BREVETS

NUMÉRO DE BREVET	PAYS DE LA DEMANDE	DATE DE LA DEMANDE	NUMÉRO DE LA DEMANDE	TITRE DU BREVET	INVENTEUR(S) ET PAYS	TITULAIRE(S) ET PAYS	DEMANDEUR(S) ET PAYS
CA 2590730	Canada	2007-06-04		Vedette de sauvetage	Luc Laroche/ Canada	Nautic et Art. inc/ Canada	Nautic & Art. inc/ Canada
CA 2541885	Canada	2006-04-03		Structure gonflable	Luc Laroche/ Serge Laroche/ Canada	Nautic et Art. inc/ Canada	Nautic & Art. inc/ Canada
CA 2667132	Canada	2009-05-28	12468484	Boudin gonflable pourvu d'une porte d'accès pour embarcation gonflable rigide	Luc Laroche/ Serge Laroche/ Canada	Nautic et Art. inc/ Canada	Nautic & Art. inc/ Canada
US 20080299850 7.666.046	États-Unis	2007-06-01	11/757.013	Rescue Water Craft	Luc Laroche/ Canada	Nautic & Art. inc. / Canada	Laroche. /Canada
US 20070232163 7.322.309	États-Unis	2006-03-30	11/392.838	Inflatable structure	Luc Laroche et Serge Laroche	Nautic & Art. / Canada	Laroche et als/ Canada